

**Chairman Susan M. Collins Opening Statement  
Committee on Appropriations Subcommittee on Transportation,  
Housing and Urban Development, and Related Agencies**

**Investing in America: Funding Our Nation's Transportation Infrastructure Needs**

**March 8, 2017**

*(As prepared for delivery)*

Today, our subcommittee is holding this hearing on the state of our nation's transportation infrastructure and potential funding and financing options to help meet the long-term needs of our nation. I am very pleased to be joined by Senator Jack Reed, who returns as the Subcommittee's Ranking Member. I want to welcome our panel of witnesses. We are joined today by:

- Dave Bernhardt, the Commissioner of Maine's Department of Transportation, who is also currently serving as the President of the American Association of State Highway and Transportation Officials, or AASHTO;
- Jim Tymon, the Chief Operating Officer of AASHTO;
- Todd Hauptli, the President and C.E.O. of the America Association of Airport Executives;
- Ed Mortimer, Executive Director of Transportation Infrastructure at the U.S. Chamber of Commerce; and
- Beth Osborne, Director of Technical Assistance for Transportation for America, or T.4.A.

The impetus for today's hearing is the Administration's intention to invest \$1 trillion in our nation's infrastructure over the next ten years. I believe there is not a person in this room who would dispute that our transportation system is in disrepair and requires additional investments.

The American Society of Civil Engineers (A.S.C.E.) has rated our roads, transit, and aviation systems as a "D", and our bridges are rated "C+". A.S.C.E. will be releasing its updated grades tomorrow.

The Department of Transportation's "Conditions and Performance" report also identifies an \$836 billion backlog of unmet needs for our nation's highways and bridges. We have made marginal improvements in reducing the percentage of bridges that are structurally deficient and functionally obsolete, but the percentage of highways rated as "poor" quality has increased, particularly in rural areas that have lower travel volumes.

The report projects that current funding levels are only sufficient to maintain our existing infrastructure. In order to address the \$836 billion backlog and meet the future needs over the next two decades, all levels of government combined would be required to increase spending by 36 percent.

Deficient roads are costing motorists in my home state of Maine \$1 billion annually in vehicle damage, congestion delays, and traffic crashes. In Portland, these costs can exceed

\$1,000 per motorist. So it should be no surprise that according to a recent Quinnipiac University poll, 87 percent of American voters support increasing federal spending on roads, mass transit, and other infrastructure. The question is: how do we pay for this much-needed investment? The average American pays less than \$160 per year in federal gasoline and diesel taxes, virtually unchanged since the last gas tax hike in 1993. In the interim, many states have raised their gas taxes, making it more difficult for the federal tax to be increased given the combined impact on consumers. As a result of inadequate gas tax revenues to support the Highway Trust Fund, Congress has transferred \$143 billion in general fund revenues since 2008 and will likely once again be required to plug the hole in fiscal year 2020 if we do not find a long-term solution now.

The challenge that this Administration faces, as previous ones have faced, is finding a way to pay for the much-needed infrastructure spending without increasing taxes on those who are least able to pay them or using budget gimmicks that simply lead to more deficit spending and add to our nation's ever-growing debt.

I think it is important that we explore all potential sources of revenues that will allow us to invest in our nation's infrastructure. Many states are testing a vehicle-miles-traveled, or V.M.T., user-fee model, while others have switched to a sales tax. The FAST Act provided funding for states to pilot alternative funding mechanisms to allow certain states to test these concepts in the real world.

Regarding our nation's airport infrastructure, it is critical that we remember that airports play a pivotal role in moving people and goods, and are a great economic driver for communities. Upgrading and modernizing our nation's airports are crucial to any infrastructure spending proposal.

In Maine alone, airports directly or indirectly generate over \$2.9 billion in economic activity while employing over 26,000 people in jobs related to aviation. This astounding number shows just how important a role airports play in local communities.

Improving our nation's highway and airport infrastructure will also require us to look to new ways to finance projects, such as public-private partnerships, tolling, expansion of the TIFIA loan program, and private activity bonds that are typically more useful in large urban areas. However, the Department of Transportation has been slow to fully utilize these programs, and I hope our witnesses will offer ideas on how to cut the red tape in order to move the available private financing, loans, and tax credits out the door faster.

For rural areas similar to Maine, what has worked well are competitive grant programs, such as TIGER, which allows D.O.T. to prioritize funding to projects that are essential to our transportation network but may otherwise not be funded. The Airport Improvement Program, or A.I.P., also provides a means to fund critical investments in our nation's airport infrastructure through collection of Passenger Facility Charges, or P.F.C.s.

Previous administrations have proposed increasing the P.F.C. cap from \$4.50, but this was also coupled with lowering the overall A.I.P. funding substantially, which generated opposition in Congress. Some have questioned the timing, need, and magnitude of such increases. I look forward to discussing whether a modified proposal to the P.F.C. increase could

provide additional funding for all airports, even those in rural communities. Working with the new Administration, we in Congress have a great deal of work to do in developing an infrastructure package to promote economic development, improve the transport of people and products, and create jobs.

Let me now turn to Senator Reed for his opening remarks.

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